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## SOURCE

1. Georg Handke, Deputy Chairman of the DMK, made the following statement on 6 May 1949 to subordinate officials:
  - a. With the collapse of China the power relationship in the world has changed to the advantage of the USSR. The USSR will now become active on the European political front. Russia's willingness to lift the blockade is the first step in this direction and a sign of strength. An economic slump is slowly developing in the western world. Overproduction is forcing the western countries into trade with the USSR and the Peoples' Democracies. The release of 500 types of goods by America for trade with these states is indicative of that fact. The USSR will create for itself in the Peoples' Democracies a position from which it can launch its battle for Western Europe by increasing their production and better satisfying the needs of the people. Russian deliveries of industrial raw materials and fats now in progress and approval of deliveries of wool, cotton, and foodstuffs are only the beginning of this development. There is expectation that bread and potatoes will be dropped from rationing in the fall in the Russian Zone.
  - b. The SMA has justly chastised the SED in 1948 for its failure to convince the masses. A change is coming with the improvement of the economic situation resulting from an increased activity. The SED is now being transformed into a cadre of trained party workers. The creation of the Politburo gives the SED a chance to develop a foreign policy. This opportunity will be used in the struggle for western Germany. The Volksrat gives the SED a chance to influence the opinion of the people of the Soviet Zone, while continuing its politics on the bloc level at the same time. These bloc politics are to undermine the bourgeois parties from within by winning over the active younger party workers for collaboration with the SED. Then they will become slowly convinced of the rightness of Marxism and Leninism.

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- c. In the course of the summer strikes will break out in western Germany. The SED will prepare the ground by dispatching party workers and the FDGB will give material support. Peace conferences such as those in Prague and Paris interested the western European masses. The movement will be carried on by progressive parties of all countries.

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